AP Economic Insight

Asia Pacific travel takes a regional turn

Simon Baptist
Principal Asia Pacific Economist
sbaptist@visa.com

Barsali Bhattacharyya
Asia Pacific Economist
barbhatt@visa.com

Travel has faced no shortage of obstacles in 2026. Airspace disruption, higher fuel costs and the rerouting of flights following the Middle East conflict have made journeys more unpredictable and expensive. Yet travel to Asia Pacific has remained resilient. Beneath that resilience, however, important shifts are underway.

One of the clearest changes has been the growing importance of regional travel. According to estimates from the **Visa International Travel platform (VISIT),** Visa's proprietary travel model, intra-Asia travelers now account for a larger share of arrivals to the region than before the conflict. Changes are afoot in not only where travelers are coming from, but also in where and why they are spending their money. We find Northeast Asia pulling away from the region's traditionally popular beach destinations when it comes to winning travel spending, with wellness being one of the experiences that visitors are prioritizing even as travel budgets come under pressure.

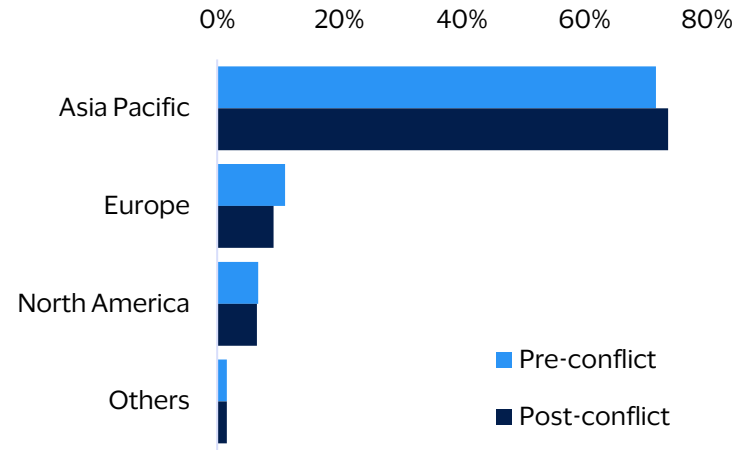
Visa Business and Economic Insights (VBEI) studied where visitors to Asia Pacific are coming from, which destinations are attracting the most spending, and how travelers are choosing to spend once they arrive. Together, these trends provide a guide to the opportunities and risks shaping the region's tourism economy in the year ahead.

Key Points:

- The center of gravity in Asian tourism is shifting closer to home
- South Korea is winning the battle for tourist wallets
- Wellness spending gains ground even as other categories come under budget pressure

Fig. 1: Geopolitical shocks are reshaping where travelers come from

Share of inbound travelers to Asia Pacific by source market (%), Mar–Sept 2026 vs. Oct 2025–Feb 2026





Source: VISIT

©2026 VISA. All rights reserved. Visa Public

Travel spending boom is coming from within the region

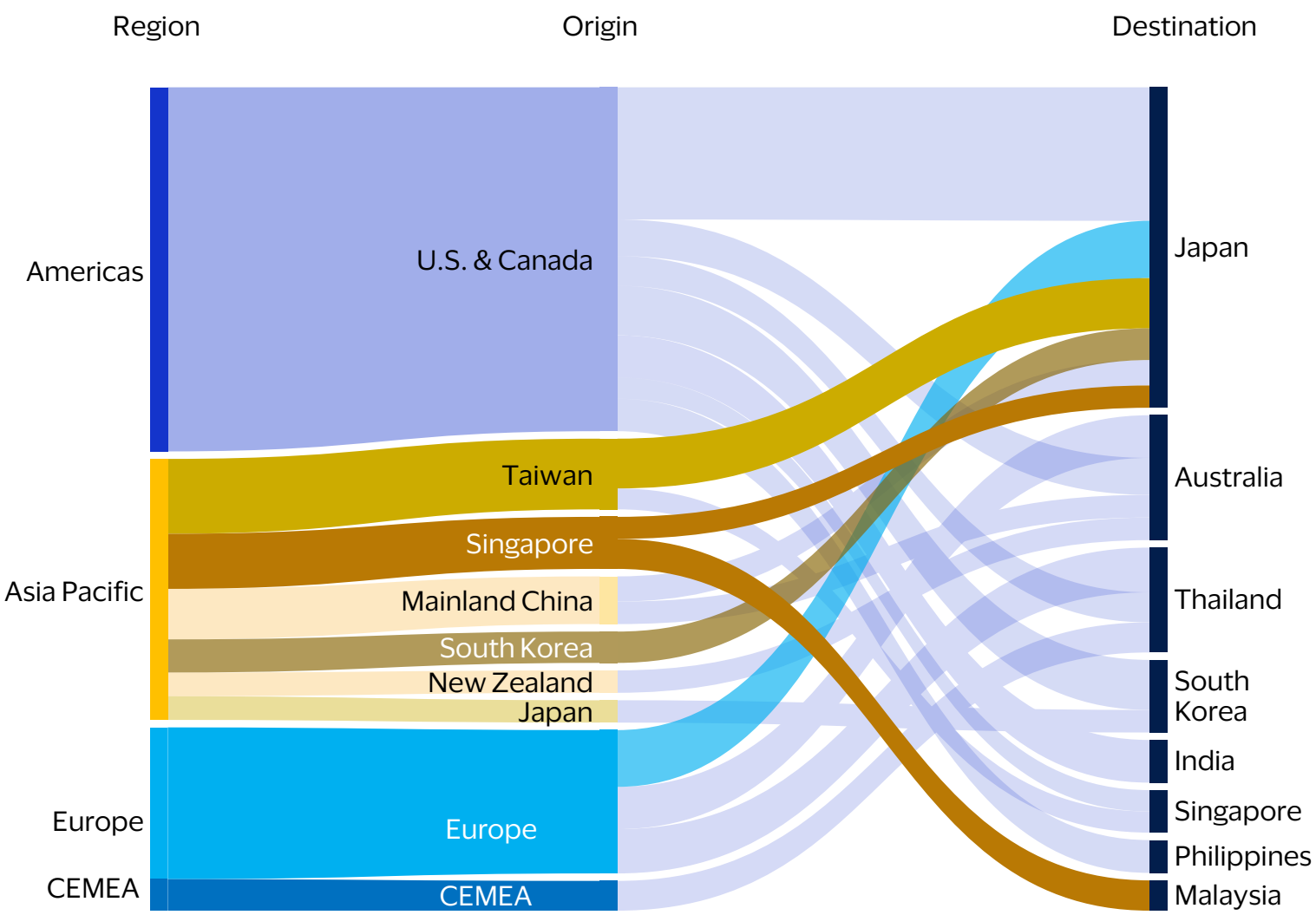
The share of Asia Pacific's arrivals originating from within the region rose from 72 percent in the five months preceding the Middle East conflict to 74 percent in the seven months since. At the same time, the share of tourists from Europe and North America fell. Part of this shift reflects policy support, including expanded visa-free entry arrangements across markets, such as Mainland China.[1] However, higher airfares, longer flight routings and geopolitical uncertainty have also increased the appeal of regional travel.

The rise in regional arrivals is increasingly being matched by spending. Our analysis of anonymized VisaNet transactions shows rapid growth in in-destination spending from regional tourists (Fig. 2). Travelers from Singapore, Taiwan and South Korea—three of the region's semiconductor and AI investment hubs—are leading this spending growth. From February to July 2026, in-destination spend for the Singapore → Japan corridor nearly doubled in value compared to the same period last year, making it the fastest-growing inbound corridor, while the Taiwan → Japan corridor is not only one of the largest in the region by value, but also one of the fastest growing. In fact, four of the five fastest-growing corridors originate within Asia Pacific; the only exception is Europe → Japan.

As household wealth continues to rise across Asia Pacific, supported by growth in AI investment and semiconductor manufacturing, we expect regional travelers to become an even more important source market for travel, hospitality and payments businesses.

Fig. 2: Long-haul visitors drive value, while regional travelers drive growth

Top 20 inbound corridors by traveler spend, with the five fastest-growing highlighted, March–August 2026



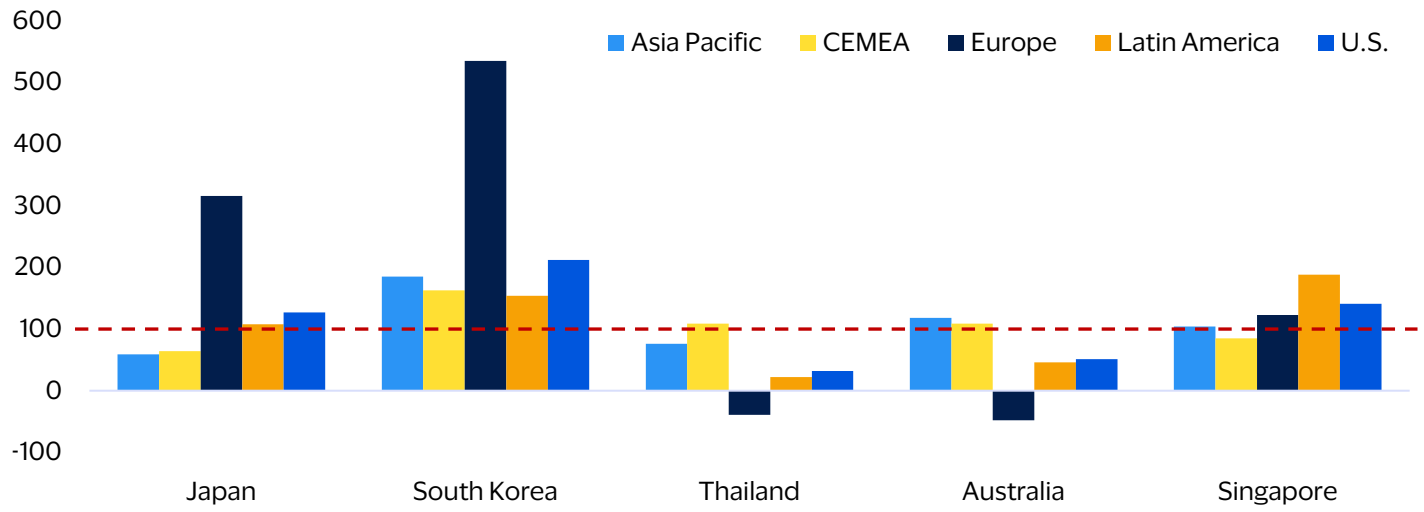
Source: VBEI analysis of VisaNet data

©2026 VISA. All rights reserved. Visa Public

South Korea, Japan and Singapore win more travel spend

Fig. 3: The strongest-performing destinations are drawing spend from across regions

Spending growth by destination, indexed to each origin region's overall spending growth across Asia Pacific, Mar–Sept 2026 vs. Oct 2025–Feb 2026



Source: VBEI analysis of VisaNet data

Across Asia Pacific, a combination of affordability and cultural appeal is increasingly shaping where travelers choose to go and where they spend their money. Our analysis suggests that **South Korea is attracting above-average spending growth from travelers across regions (**Fig. 3). Its success reflects the global popularity of K-pop, K-dramas and K-beauty and its ability to transform its cultural exports into tourism demand. Its cultural influence is visible well beyond Asia, with above-trend spending growth across all regions.

South Korea also shows how spending experiences can reinforce a city's role as a tourism gateway. Much of the country's cultural, entertainment and wellness proposition is concentrated in its capital, Seoul, encouraging visitors to build itineraries around the city's neighborhoods, shops and experiences associated with Korean popular culture. Its popularity as a destination is evident in broader travel metrics as well. Seoul's Incheon International Airport handled more than 38 million international passengers in the first half of 2026, ahead of both London's Heathrow and Singapore's Changi airports.[2] Japan and Singapore trail South Korea in attracting above-average visitor spending, suggesting a preference for urban gateways.

Exchange rates also factor into how attractive a destination appears to travelers by shaping their perceptions of its affordability. Currencies in several Asian markets have been weakening against the U.S. dollar since 2020 (Fig. 4, next page), with recent energy price shocks and diverging monetary policies adding further pressure to some. Japan, South Korea and Thailand, the three largest destinations by inbound spending on cards, have all become more affordable in U.S.-dollar terms, strengthening their appeal to both regional and long-haul travelers even as they make outbound travel from these markets less attractive.

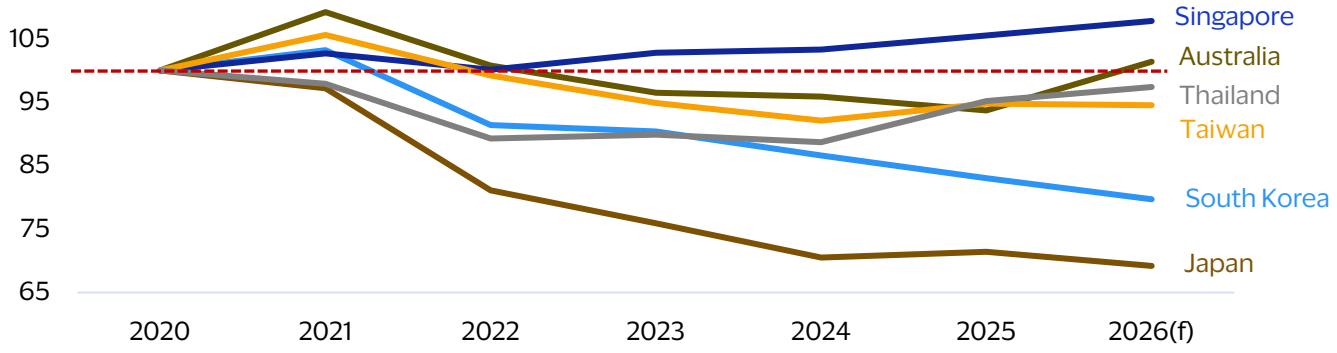
Japan—whose popularity as a destination has shot up since reopening from the pandemic on a mix of culture, cuisine, retail and entertainment attractions, as well as a weak currency—has also been attracting above-average spending from Europe and the U.S. Increasingly, however, growth is being driven by a broader mix of developing markets, especially within Asia as well as from Latin America, as travelers are drawn by this premium destination's relative currency advantage. In fact, Latin American visitor spending growth was well above average in Japan, South Korea and Singapore.

For issuers, one implication to be mindful of is that travel decisions are now being made long before a holiday begins. As culture, entertainment and lifestyle experiences become more important drivers of tourism demand, opportunities to engage cardholders may increasingly appear earlier in the travel journey through partnerships, rewards and propositions aligned with these popular experiences.

©2026 VISA. All rights reserved. Visa Public

Fig. 4: Soft power meets softer currencies

U.S. dollar per local currency (2020=100)



Source: VBEI analysis of Haver Analytics data

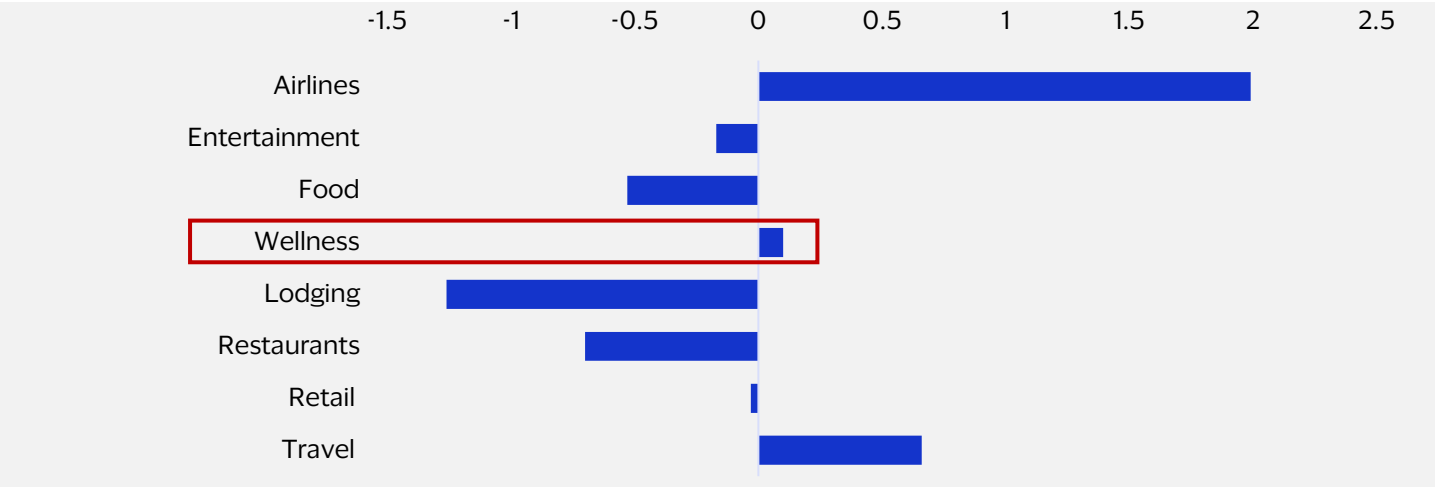
The wellness exception

The same forces helping South Korea attract visitors are also influencing how they allocate their travel budgets once they arrive. The popularity of Korean pop culture has also exposed international consumers to Korean skincare, cosmetic treatments and wellness products long before they visit the country. For many visitors, spending on wellness is therefore not an incidental part of a trip, but a key motivation for travel itself. In fact, almost $1 in every $5 spent by international cardholders at South Korean merchants goes towards wellness-related services. Average ticket size at health and wellness-related merchants is the highest among all other merchant categories—and more than 50 percent above that for airlines.

The trend, however, extends beyond South Korea. Figure 5 shows changes in the share of inbound tourist spending on different categories across a group of Asian markets. With spending at airlines rising because of higher fuel prices, tourists have had to scale back on popular categories like lodging and retail. Wellness spending, on the other hand, has increased despite cost-of-living pressures.

Fig. 5: Travel costs pull ahead, but wellness spending survives

Change in share of spending by international tourists in select markets,* March-August 2026 (percentage points)



*Mainland China, Japan, Thailand, South Korea, Vietnam and Taiwan. Source: VBEI analysis of VisaNet data

Looking ahead, this preference for wellness experiences is one of three key trends likely to drive tourism growth in the region, alongside cultural tourism and rising affluence among Asia Pacific consumers. The risks to this outlook, however, lie not in demand, but in disruption. Geopolitical tensions can swiftly redirect travel flows, while environmental shocks and extreme weather can alter itineraries and destination attractiveness. Haze from wildfires has already disrupted flights in parts of Southeast Asia,[3] and further intensification of a strong El Niño raises the prospect of extreme heat or floods across the region. These events may create new winners and losers across Asia Pacific's tourism market, even as the region remains well positioned to capture a growing share of global travel demand and spend.

©2026 VISA. All rights reserved. Visa Public

Accessibility notes

Fig. 1: A grouped horizontal bar chart compares the share of inbound travelers to Asia Pacific by source market before and after the Middle East conflict. Asia Pacific's share rises from 71.6 percent before the conflict to 73.6 percent after the conflict. Europe's share falls from 11.1 percent to 9.2 percent, while North America's share decreases slightly from 6.7 percent to 6.5 percent. The share for other source markets remains unchanged at 1.6 percent.

Fig. 2: A flow chart presents the top 20 inbound travel corridors to Asia Pacific by traveler spending from March to August 2026. The chart is arranged in three columns, with regions on the left, traveler origins in the center, and destinations on the right. The five fastest-growing of these 20 corridors by spending value are highlighted. These are Singapore → Japan, Taiwan → Japan, South Korea → Japan, Europe → Japan and Singapore → Malaysia. Four of the five highlighted corridors originate within Asia Pacific.

Fig. 3: A grouped column chart compares spending growth in five destinations, indexed to each origin region's overall spending growth across Asia Pacific, where 100 represents the regional benchmark. For travelers from Asia Pacific, the index values are 59 for Japan, 185 for South Korea, 76 for Thailand, 118 for Australia, and 104 for Singapore. For travelers from Central Europe, the Middle East, and Africa, the values are 64, 163, 109, 109, and 85, respectively. For European travelers, the values are 316 for Japan, 535 for South Korea, in the negative for Thailand and Australia, and 123 for Singapore. For Latin American travelers, the values are 108, 154, 22, 46, and 188, respectively. For travelers from the U.S., the values are 127, 212, 32, 51, and 141, respectively.

Fig. 4: A six-line chart shows the number of U.S. dollars per unit of local currency for Australia, Japan, South Korea, Singapore, Taiwan, and Thailand from 2020 through the 2026 forecast, with 2020 set at 100. Australia rises to a high of 109.2 in 2021 and ends at 101.4 in 2026. Japan falls from 100 in 2020 to 69.2 in 2026, its lowest value. South Korea rises to a high of 103.2 in 2021 before declining each year to a low of 79.7 in 2026. Singapore rises overall from 100 to a high of 107.8 in 2026. Taiwan declines to 94.5 in 2026, while Thailand stands at 97.4 in 2026.

Fig. 5: A horizontal bar chart shows the change in international tourists' share of spending across eight categories in selected Asian markets from March to August 2026, measured in percentage points. The share for airlines shows the largest increase, followed by that for wellness. All other categories, including retail, restaurants and lodging show declines in shares. The selected markets are Mainland China, Japan, Thailand, South Korea, Vietnam, and Taiwan.

©2026 VISA. All rights reserved. Visa Public

Forward Looking Statements

This report may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by words such as "outlook", "forecast", "projected", "could", "expects", "will" and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statements we make about Visa's business, economic outlooks, population expansion and analyses. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

Disclaimer

The views, opinions, and/or estimates, as the case may be ("views"), expressed herein are those of the Visa Business and Economic Insights team and do not necessarily reflect those of Visa executive management or other Visa employees and affiliates. This presentation and content, including estimated economic forecasts, statistics, and indexes are intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice and do not in any way reflect actual or forecasted Visa operational or financial performance. Visa neither makes any warranty or representation as to the completeness or accuracy of the views contained herein, nor assumes any liability or responsibility that may result from reliance on such views. These views are often based on current market conditions and are subject to change without notice.

Visa Business and Economic Insights Team

Wayne Best, Chief Economist
wbest@visa.com

Simon Baptist,
Principal Asia Pacific Economist
sbaptist@visa.com

Mohamed Bardastani,
Principal CEMEA Economist
mbardast@visa.com

Michael Brown,
Principal U.S. Economist
michael.brown@visa.com

Adolfo Laurenti,
Principal European Economist
laurenta@visa.com

Richard Lung,
Principal Global Economist
rlung@visa.com

Dulguun Batbold,
Senior Global Economist
dbatbold@visa.com

Weiwen Ng,
Senior Global Economist
weiweng@visa.com

Joel Virgen Rojano,
Senior LAC Economist
jvirgenr@visa.com

Jennifer Doettling, Sr. Director,
Content and Editorial
jdoettli@visa.com

Minakshi Barman,
Asia Pacific Economist
mbarman@visa.com

Barsali Bhattacharyya,
Asia Pacific Economist
barbhatt@visa.com

Travis Clark, U.S. Economist
wiclark@visa.com

Hannah Heeran,
Senior European Economist
heeranh@visa.com

Sean Windle, U.S. Economist
swindle@visa.com

Jacob Nelson,
Associate U.S. Economist
jacnelso@visa.com

Ashton Sein,
Associate U.S. Economist
asein@visa.com

Jen Petosky, Analyst,
Content and Editorial
jepetosk@visa.com

Juliana Tang, Project Coordinator
jultang@visa.com

For more information, please visit us at Visa.com/Economicinsights or VisaEconomicInsights@visa.com.

©2026 VISA. All rights reserved. Visa Public